

To the Members of the California State Assembly:

I am returning Assembly Bill 2462 without my signature.

This bill would require an automatic annual cost-of-living and growth adjustment in State funding for home-to-school transportation commencing in the 2006-07 fiscal year. When I signed the 2004-05 Budget, it included \$14 million in growth and COLA for home-to-school transportation. However, I am concerned that this bill creates new General Fund cost pressures, constraining the state's ability to prioritize school funding. While I fully intend to honor my agreement with the education community to fund COLA and growth on education programs as appropriate, it would be irresponsible for me to restrict a future Administration's fiscal flexibility by requiring automatic spending increases on this program every year.

For the reasons stated above, I cannot sign this bill.

Sincerely,

Arnold Schwarzenegger